FILED
AUG 19 1952
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1952.

No. 286

HOLLAND COMPANY,

Petitioner,

vs.

AMERICAN STEEL FOUNDRIES,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

The Petitioner, Holland Company, prays that a writ of certiorari issue to the United States Court of Appeals for the Seventh Circuit to review the judgment of that Court entered April 29, 1952 (R. 22-27, Vol. 2); rehearing denied June 9, 1952 (R. 75, Vol. 2), 196 F. 2d 749.

OPINIONS BELOW.

The Memorandum opinion of the District Court (R. 177-181, Vol. 1) is reported in 95 F. Supp. 273.

The first decision of the Court of Appeals (R. 268-272, Vol. 1) and the decision on rehearing (R. 303, Vol. 1) are reported at 190 F. 2d 37 and 39. Certiorari denied Oct. 22, 1951, 342 U. S. 859.

The Supplemental Memorandum of the District Court (R. 6-10, Vol. 2) is reported at 101 F. Supp. 388.

The second decision of the Court of Appeals (R. 22-27, Vol. 2) is reported at 196 F. 2d 749.

JURISDICTION.

The jurisdiction of this Court is invoked under Title 28 U. S. C., Sec. 1254. The judgment of the Court of Appeals was entered April 29, 1952; rehearing was denied June 9, 1952.

THE QUESTIONS PRESENTED.

1. After a District Court found that the patentee made an improvement and the Court of Appeals made findings with respect to that improvement sufficient to warrant a conclusion that as a matter of law the statutory requirements for patentable invention had been met, may the same Court (two different members sitting) in a second appeal repudiate its findings in the first decision and on the same record hold the claim in suit invalid on a defense that was fully briefed and argued in the first appeal?

a. When the findings of the District Court on remand are contrary to the findings of the Court of Appeals on the first appeal, does Rule 52(a) make those findings of the District Court more binding on the Court of Appeals on the second appeal than the findings of the same Court of Appeals on the first appeal?

2. When a Court of Appeals reverses the judgment of non-infringement and remands the cause with directions to make appropriate findings upon the issue of validity, may the District Court ignore the findings of the Court of Appeals and the evidence relied on in its decision, and hold the patent claim invalid and enter a judgment for Defendant?

3. When a finding of invalidity is based on prior patents, does Rule 52(a) prevent the Court of Appeals from reading those patents and other documents and making its own finding of validity?

4. When unquestioned contemporary records show that Respondent and its experts made several unsuccessful efforts in 28 years to produce a truck with "built-in spring control" before Respondent "adopted in its entirety" the "central vital thought" of the patent in suit, as the Court of Appeals found in its first decision, did the Courts below apply the correct criterion of invention in finding "that Goodwin merely perfected a practical application of what others have taught, and thus his patent represents an improvement by a mechanic skilled in the art, but does not constitute invention"?

SUMMARY AND STATEMENT OF MATTER INVOLVED.

The Petitioner sued Respondent for infringement of Claim 10 of the Goodwin Patent No. 2,053,989 issued on Sept. 8, 1936. The District Court found no infringement and said it was not necessary to pass on validity.

June 7, 1951, the Court of Appeals for the Seventh Circuit reversed the judgment of non-infringement, and remanded the cause with directions to make appropriate findings upon the issue of validity.

Rehearing was denied July 3, 1951.

Petition for certiorari to review the first judgment of the Court of Appeals was denied October 22, 1951.

On remand, the District Court made findings upon the issue of validity and entered a final judgment for Respondent on December 18, 1951.

In a second decision April 29, 1952, the Court of Appeals for the Seventh Circuit affirmed the judgment of the Dis-

trict Court. Rehearing was denied June 9, 1952. It is this second judgment of the Court of Appeals to which this petition is directed.

Cumulative Vibration of Springs Posed a Problem in the Industry.

Coil springs make the best known cushions for railroad freight cars, but they have the serious fault that when their natural period of vibration coincides with the impacts of the wheels on rail joints at certain speeds the vibrations build up, causing the cars to bounce and to sway and the springs to "go solid" with violent blows that result in damage to the lading, the cars, and the track. The old problem was acute when the railroads were returned to their owners in 1920. (Ry. Age, Oct. 22, 1920, p. 715, Plf's Ex. 52; Ry. Age, Oct. 29, 1920, p. 731, Plf's Ex. 53.)

The Goodwin Patent in Suit (R. 190, Vol. 1).

The Goodwin patent in suit relates to a freight car truck with a built-in spring control including friction devices to prevent cumulative vibration.

Goodwin invented his simple, patented device while the whole industry after years of organized and individual effort had turned to additional springs as the logical remedy, although that gave little or no cushioning for light loads. (Car Builders' Cyclopedia, 1931, p. 794, Plf's Ex. 48.)

The District Court Found That Goodwin Made an Improvement.

The District Court found that Goodwin made an improvement over the inoperative device disclosed in the old 1910 patent to Ritter (Respondent's main reliance),

but he thought that improvement was within the scope of a mechanic skilled in the art. However, finding no infringement, he omitted a finding on validity. (R. 181, Vol. 1.)

The First Decision of the Court of Appeals Was Entirely Favorable to Petitioner. (R. 268-272, Vol. 1.)

On the first appeal, the Court of Appeals found documentary evidence of a "discouraging experience" with damage to freight caused by "bouncing" cars and that the industry recognized the need of preventing this serious damage; that the evidence clearly indicates that the sloping walls on the spring supported bolster, cooperating with the sloping walls on the friction shoes as disclosed by Goodwin, would suppress the bouncing; and that Respondent adopted "in its entirety" the "central vital thought" covered by Claim 10 in suit; and the Court reversed the judgment of non-infringement and remanded the cause to the District Court to make appropriate findings on the issue of validity.

Rehearing and certiorari were denied, and the mandate issued. (R. 3-5, Vol 2.)

The Second Decision of the District Court Ignored the First Decision of the Court of Appeals.

On remand, the District Court went squarely against the findings of the Court of Appeals, ignored the documentary evidence, and disregarded the comment of the Court of Appeals about the problem, the solution, and the infringement shown by the evidence and found that "Goodwin merely perfected a practical application of what others have taught, and thus his patent represents an improvement by a mechanic skilled in the art, but does not constitute invention." (R. 7, Vol. 2.)

The Second Decision of the Court of Appeals Was Entirely Adverse to Petitioner. (R. 22-28, Vol. 2.)

On the second appeal, the Court of Appeals (two different members sitting) quoted the above statement of the District Court, and, ignoring the plain findings of the earlier opinion, said that it was not at liberty to set aside the findings of the District Court unless clearly erroneous.

Also ignoring the documentary evidence which was so favorably weighed in the first decision on Appeal, the Court of Appeals affirmed the judgment of invalidity on the old 1910 Ritter patent in complete disregard of the testimony of Respondent's Vice President in charge of Engineering that the Ritter device was inoperative (R. 66, Vol. 1) and never was used (R. 95, Vol. 1), as was fully presented on the first Appeal.

Although the first decision of the Court of Appeals pointed out that, "The central vital thought of Goodwin was that the wedge-shaped parts, acting one against the other would achieve elimination of possibility of damage to cargo" and that Respondent infringed by adopting "in its entirety" that "central vital thought", the second decision of the Court of Appeals said:

> "* * * Assuming, however, that Goodwin made a contribution, it is not discernible from the record what, if any, part thereof is properly attributable to the patent in suit. * * *"

Also:

> "* * * Again, there is nothing to show to what extent, if any, the teachings of the patent in suit were incorporated in or utilized by Standard Car Truck Company in its 'Barber Stabilized Truck.' * * *"

Thus repudiating its findings on the first appeal, the Court of Appeals in its second decision went on to

deny the Goodwin patent the benefit of public acceptance so clearly established by the licensed "Barber Stabilized Trucks."

Going still further, in its second decision the Court of Appeals said that while there is evidence that the Barber Stabilized Trucks utilized the teachings of Goodwin "it appears that it was of a Goodwin patent other than that relied upon in the instant case"—thus approving a defense which was rejected by the District Court and by the Court of Appeals in its first decision.

The second decision of the Court of Appeals (two different members sitting) conflicts in letter and spirit with the first decision 11 months earlier, and works a gross miscarriage of justice.

The departures of the Courts below from the accepted and usual course of judicial proceedings, working this gross miscarriage of justice, violate the express requirement of Rule 1 of the Rules of Civil Procedure that they "shall be construed to secure the just, speedy, and inexpensive determination of every action."

SPECIFICATION OF ERRORS TO BE URGED.

The Court of Appeals erred:

1. In not following the first decision of that Court and remanding the cause with instructions to enter a judgment for Petitioner for full relief.

2. In failing to hold Claim 10 of the patent in suit valid and infringed in view of the overwhelming documentary evidence.

3. In holding Claim 10 of the patent in suit invalid.

4. In affirming the judgment of the District Court.

5. In misconstruing Rule 52(a) of the Rules of Civil Procedure.

REASONS FOR GRANTING THE WRIT.

1. The Supplemental Memorandum, Findings of Fact, Conclusions of Law and Judgment of the District Court on remand (101 F. Supp. 388, R. 6-10, Vol. 2) and the second decision of the Court of Appeals (196 F. 2d 749, R. 22-27, Vol. 2) are directly in conflict in letter and spirit with the first decision of the same Court of Appeals, two different members sitting. (190 F. 2d 37; R. 268-272, Vol. 1.)

In its first decision, relying on the documentary evidence the Court of Appeals found facts about:

a. Damage to freight creating a recognized need for spring control in freight car trucks.

b. The Goodwin improvement of the patent in suit effecting the necessary control.

c. Respondent's stamp of approval by adopting "in its entirety" the "central vital thought" of the Goodwin improvement.

Those findings of the Court of Appeals in its first decision justify the conclusion that the improvement defined by Claim 10 of the Goodwin patent in suit met the statutory requirements for patentable invention. *Graver Tank & Mfg. Co.* v. *Linde Air Products,* 336 U. S. 271 at 275, 93 L. Ed. 672 at 677.

On remand, with directions to make "appropriate findings upon the issue of validity" (appropriate to what the Court of Appeals had found in its first decision), the District Court set at nought the findings of the Court of Appeals, ignored the documentary evidence and Respondent's stamp of approval by adoption; and, putting his own notion about patentable invention in place of the searing experience of the industry, found that the Goodwin patent "represents an improvement by a mechanic skilled in the art, but does not constitute invention."

On the second appeal, the Court of Appeals (two different members sitting) said it was bound by Rule 52(a) unless the findings of the District Court were clearly erroneous (which they obviously were, being contrary to the earlier findings of the Court of Appeals); repudiated the final judgment of the same Court on the first appeal; disregarded the contemporary documents supporting the earlier findings and showing that the experts, including Respondent's top engineering officers, tried again and again and failed to produce a truck with "built-in spring control;"* and affirmed the judgment of the District Court entered in defiance of the same Court's earlier decision, which had been confirmed by denial of rehearing.

The second decision of the Court of Appeals says it was in no position to say the findings of the District Court were clearly erroneous; but the earlier findings of the Court of Appeals on the same record show the contrary. Certainly the earlier findings of the Court of Appeals should be more binding on that Court than the findings of the District Court made on remand and contrary to the earlier findings of the Court of Appeals and the evidence relied upon.

After rehearing on the first appeal and petition for certiorari had been denied, proceedings should have been followed to secure "just, speedy, and inexpensive determination" consistent with the findings of the Court of Appeals on the first decision. (Rule 1 of the Rules of Civil Procedure.) On the contrary, those findings and the unquestioned documentary evidence supporting them have been arbitrarily ignored and a great miscarriage of justice done.

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* In the Appendix, pp. 15-17, are extracts from patents issued to Respondent showing in part the documentary record of Respondent's three vain attempts.

There is a "very obvious and exceptional showing of error" that should move this Court to review the case. (*Graver Tank & Mfg. Co.* v. *Linde Air Products*, 336 U. S. 271 at 275, 93 L. Ed. 672 at 677.)

Respondent Confirms the Errors of the District Court and the Court of Appeals in the Second Decision.

While Respondent contends before the Courts that Ritter and others taught everything necessary to produce Goodwin's truck with built-in spring control, which it was finally decided by the Court of Appeals that Respondent "adopted in its entirety," Respondent tells the industry a contrary story. For example, in an advertisement in Railway Age for March 24, 1952 (not in the record), Respondent says:

> "It wasn't so easy to design a product which answered so completely the needs of modern railroading, yet operated on such a simple, basic principle that it definitely assured dependable, trouble-free service and the lowest possible maintenance costs.
>
> • • • • •
>
> "Today the A. S. F. Ride-Control Truck is the most-copied railroad truck in America."

The three vain attempts made by Respondent* are sufficient to show that "It wasn't so easy • • •." And since Respondent adopted "in its entirety" the "central vital thought" of Goodwin covered by Claim 10 in suit, as the Court of Appeals finally decided, Goodwin's truck of the claim in suit has become the "most copied railroad truck in America" by Respondent's proclamation to the industry.

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* Appendix, pp. 15-17.

An Important Issue Is Raised by the Conflict Between the First Decision of the Court of Appeals and the Later Decisions of the District Court and the Court of Appeals.

It is important to all litigants that, after rehearing and writ of certiorari are denied and mandate is sent to the District Court, a decision of the Court of Appeals should not be upset on the same record by a later decision of the same Court with a different panel sitting. For respect for tribunals must fall when the bar and the public come to understand that nothing that has been said or found in a prior decision that has become final will have force in the same controversy between the same parties on the same record in the same court.

That importance is great enough to so large a part of the public as to warrant review by this Court.

2. The second decision of the Court of Appeals in the instant case is in conflict with other decisions of the same Court as to the meaning of Rule 52(a) of the Rules of Civil Procedure.

Although the findings of the District Court on remand were based entirely on the patent in suit and four prior patents, in disregard of the prior decision of the Court of Appeals as to the documentary evidence, that Court in its second decision said:

> "* * * Obviously, under Rule 52(a) * * * this court is not at liberty to set aside the findings as made unless 'clearly erroneous.'" (196 F. 2d 750.)

That was on April 29, 1952.

On March 26, 1952, the same Court of Appeals with a different panel said:

> "By our decision we eliminate any necessity of determining whether the findings of fact of the Dis-

> trict Court, **including invention,** are clearly erroneous, for our conclusions are based upon the interpretation of written documents and the construction of undisputed statements of the patentee before the Patent Office, matters open to us for consideration." *Falkenberg* v. *Golding,* 195 F. 2d 482 at 486.

Earlier, the same Court of Appeals reversed a finding of invalidity of the trial court, saying:

> "• • • Here we have a finding of fact of anticipation because of existing prior art patents. Each of these documents was before the trial court and is before us. Their interpretation, **in view of the statute,** is as open to us as to the District Court. • • •" *Peckat* v. *Jacobs,* 178 F. 2d 794 at 802.

In support of its statement in the instant case about the limits under Rule 52(a), the Court of Appeals (196 F. 2d 750) cited *Graver Tank & Mfg. Co.* v. *Linde Air Products,* 336 U. S. 271 at 275 and 276. In that case, the trial Judge visited laboratories with counsel and experts to observe actual demonstrations of welding as taught by the patent and of the alleged infringing welding and various stages of the prior art, viewed motion pictures of various operations and tests, and heard many experts and other witnesses as a basis for its findings in fact.

The situation in the instant case is very different. There is no conflict of testimony of expert witnesses on the issue of validity. Petitioner avoided that pitfall by producing contemporary documents to show the need that aroused the industry and what the experts in the art did individually and in concert. The only conflict is between the testimony of Respondent's experts as to what was obvious and their own contrary conduct for decades and the contrary conduct of others in the industry as revealed by unquestioned documents.

The findings of the District Court were not based on tes-

timony, but were based entirely on printed patents, in complete disregard of the findings by the Court of Appeals in its first decision and the documentary evidence supporting them.

Surely on the second appeal the Court of Appeals should have favorably considered the documentary evidence of the great need in the industry accepted by the same Court in its earlier decision and the documentary evidence of Respondent's several vain attempts to make a truck with a "built-in spring control," in the last of which Respondent spent more than a million dollars (R. 113-115, Vol. 1), and Respondent's final adoption "in its entirety" of the "central vital thought" of Claim 10 in suit, as found in the first decision of that Court, which had long before become final.

The proceedings in the courts below have violated the express requirement of Rule 1 of the Rules of Civil Procedure that "they shall be construed to secure the just, speedy, and inexpensive determination of every action"; and there has been a miscarriage of justice so great that it cries for review by this Court to restrain repetition.

Unless this Court will review a case presenting such a situation with respect to Rule 52(a), litigants will be helpless when the courts below go contrary to an earlier decision of the Court of Appeals on the same record and arbitrarily ignore unquestioned documentary evidence affording the safest test for patentable invention that has ever been derived.

It Is Important to Have This Court Resolve the Conflict and Guide the Application of Rule 52(a).

It is important to litigants, the bar, and the Courts to have this Court resolve the conflict in the Court of Appeals decisions and settle the duty of the Courts of Appeals to give full weight to documentary evidence showing that as a matter of law the requirements of Section 4886 R. S., 35 U. S. C. 31, have been met regardless of findings of the District Court.

CONCLUSION.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX.

EXTRACTS FROM PATENTS ISSUED TO RESPONDENT, AMERICAN STEEL FOUNDRIES.

Plf.'s Ex. No.

17 Trowbridge 1,173,397 Issued Feb. 29, 1916 Filed Oct. 29, 1915:

"My invention relates to car trucks for railroad cars and has particular reference to a novel spring dampener for use in connection therewith.

"It has been found by a series of tests that the vibration of springs due to inequalities in the roadbed are or tend to become cumulative; that is, under certain conditions the vibration of the spring progresses cumulatively until the springs are compressed solid, after which the action is commonly repeated. It has been found that by interposing friction means in the supporting devices this action is avoided." (P. 1, lines 9-22, inclusive.)

21 Cottrell 1,970,841 Issued Aug. 21, 1934 Filed Sept. 24, 1932:

"Desirable features for freight car trucks are economy, simplicity, lightness, strength and ease of maintenance, and these features are generally obtained within practical limitations on freight trucks now in use. However, present freight car trucks are very deficient in easy riding qualities since the spring suspension usually consists only of coil springs which strike a natural period of oscillation or vibration at some operating speed of the car. The resulting motion imparted to truck parts, car body and lading is violent and destructive and results in much damage to lading. Track or wheel irregularities, even if very slight,

Plf.'s
Ex. No.

will set up this oscillation and when the frequency with which these irregularities are passed over agrees with the vibration period of the springs the motion amplifies and continues, due to the lack of dampening qualities in coil springs. The motion may amplify to the extent of causing derailment of the truck.

"Efforts have been made to improve this condition by the use of frictional devices with the coil springs for the purpose of dampening the motion, but unless considerable friction is obtained they are not effective enough and if sufficient friction is obtained the spring action becomes too stiff and lacks sensitivity; that is, in constructions heretofore contemplated a device constructed to provide sufficient friction for rough track conditions would be inadequate and the spring devices used would be too stiff for average or good track conditions." (P. 1, lines 5-36, inclusive.)

22 The same statement was made in:

Oelkers 2,051,649 Issued Aug. 18, 1936 Filed Feb. 19, 1932.

29 Cottrell 2,295,550 Issued Sept. 15, 1942 Filed Dec. 21, 1940:

"An object of my invention is such a form of connection between the side frame and the bolster in a four wheel railway car truck as will not only facilitate its assembly and dismantling but will also incorporate a novel form of ride control unit which serves as a damper for the coil springs which otherwise normally may set up damaging synchronous oscillations.

"A definite object of my invention is to devise a novel form of interlocking arrangement between a side frame and a bolster in a quick wheel change truck comprising a novel form of interlocking member which may be countersunk in the bottom wall of the bolster and formed with arms project-

Plf.'s
Ex. No.

ing between the inboard and outboard portions of adjacent columns to serve as actuating means for associated friction shoes which may be mounted in the side frame outwardly of each column. (P. 1, lines 8-26, inclusive, first column.)

30 Cottrell 2,295,557 Issued Sept. 15, 1942 Filed July 8, 1941:

"The general object of my invention is to devise a novel form of connection between the side frame and bolster of a four wheel railway car truck which will facilitate assembly of the parts or dismantling thereof and will also incorporate a novel form of control unit acting as means for damping the vibrations of coil springs which normally serve as the supporting means for the bolster from the side frame.

"In my above referred to co-pending application I have set forth a novel ride control device utilizing friction panels supported in the window openings at opposite sides of the bolster opening with friction shoes actuated thereagainst by means of arms projecting through the columns from a bolster and side frame interlocking member. In the present application a similar arrangement is shown except that the form of the friction absorbing device is modified somewhat to adapt the device for varying operating conditions." (P. 1, lines 11-30, inclusive, column 1.)